

General Conditions Under Which a Person is Entitled to a Railroad Retirement Employee Annuity

Age Requirement

The age requirement for an age and service annuity depends on your years of creditable railroad service. You must file an application to receive a railroad retirement annuity. When all eligibility requirements are met, your age and service annuity can begin as explained in Chart 1. (Chart 2 explains Full Retirement Age.)

CHART 1 - DETERMINING YOUR ANNUITY BEGINNING DATE

If you have at least:	You can retire the first full month:	Your Tier 1 will have an age reduction if:	Your Tier 2 will:
360 months of railroad service,	you are age 60.	you retire before attaining age 62.	not have an age reduction.
120 - 359 months of railroad service, with service before 8/12/1983,	you are age 62.	you retire before attaining your Full Retirement Age.	have an age reduction if you retire before attaining age 65.
120 - 359 months of railroad service, without service before 8/12/1983,	you are age 62.	you retire before attaining your Full Retirement Age.	have an age reduction if you retire before attaining your Full Retirement Age.

Definition of Full Retirement Age for Age Reductions in Age and Service Annuities

Full Retirement Age for an age and service annuity means the age at which you can receive a full Tier 1 benefit **with no reduction for early retirement**. (Exception: Employees with at least 30 years of railroad service who retire after they attain age 62 will not have a Tier 1 age reduction.)

If you have less than 30 years of railroad service, Full Retirement Age for your Tier 2 benefit will remain at age 65 if you had railroad service before August 12, 1983. Otherwise, the Full Retirement Age for your Tier 2 age reduction will gradually increase in the same manner as the Full Retirement Age for your Tier 1 age reduction.

Full Retirement Age also affects the amount of non-railroad earnings you can earn after the annuity beginning date, as explained in Chart 3.

CHART 2 - DETERMINING YOUR FULL RETIREMENT AGE

If you were born:	Then your Full Retirement Age is:
Before 1-2-1938	65
1-2-1938 thru 1-1-1939	65 and 2 months
1-2-1939 thru 1-1-1940	65 and 4 months
1-2-1940 thru 1-1-1941	65 and 6 months
1-2-1941 thru 1-1-1942	65 and 8 months
1-2-1942 thru 1-1-1943	65 and 10 months
1-2-1943 thru 1-1-1955	66
1-2-1955 thru 1-1-1956	66 and 2 months
1-2-1956 thru 1-1-1957	66 and 4 months
1-2-1957 thru 1-1-1958	66 and 6 months
1-2-1958 thru 1-1-1959	66 and 8 months
1-2-1959 thru 1-1-1960	66 and 10 months
1-2-1960 and later	67

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Annuity Based on Total Disability

You may be eligible for an annuity based on total disability at any age if you:

- have at least 120 months of creditable railroad service; and,
- are permanently disabled for all possible types of work. (Employees are considered to be **Permanently Disabled** if they qualify for a period of disability under Social Security Administration rules and the impairment is expected to last at least 12 months or result in death); and,
- have stopped any substantial gainful activity (SGA) (as explained in the next section).

You must file an application to receive a railroad retirement total and permanent disability annuity. Under the law, a disability annuity cannot begin earlier than the first day of the sixth full month following the month in which disability onset occurs.

Substantial Gainful Activity

To qualify for a total and permanent disability annuity, you must stop all **Substantial Gainful Activity** (SGA). SGA is the performance of significant duties, that are usually done for pay or profit, over a reasonable period of time. Significant duties are activities that are useful in a job, or operation of a business, and that have economic value. For more information on SGA, contact the nearest field office of the RRB.

Annuity Based on Occupational Disability

You may qualify for an employee occupational disability annuity if you are permanently disabled for work in your regular railroad occupation **and you have a current connection** with the railroad industry (as explained on page 3). The earliest date the occupational disability can begin depends on your railroad service. You are eligible:

- at any age, if you have at least 240 months of creditable railroad service; or,
- at age 60, if you have 120 - 239 months of creditable railroad service.

You must file an application to receive a railroad retirement occupational disability annuity. Under the law, a disability annuity cannot begin earlier than the first day of the sixth full month following the month in which disability onset occurs.

Definition of Regular Railroad Occupation

Your **Regular Railroad Occupation** is the one in which you worked:

- in more months that you worked in any other occupation, in or outside of the railroad industry, during the last 5 years in which you were employed (the 5 years do not have to be consecutive); or
 - in at least one-half of all the months worked in the last 15 consecutive years.
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Stop Railroad Employment

In order to receive your employee railroad retirement age and service or disability annuity, you must stop all railroad work for pay (no longer carried on the payroll). For an age and service annuity, you must also relinquish rights to railroad employment. Also note that, after the annuity is awarded, payment cannot be made for any month in which you return to work for a railroad employer.

Supplemental Annuity

Some retired railroad employees may be eligible to receive a supplemental annuity of \$23 through \$43 from the RRB. This is in addition to your regular age and service or disability annuity.

The amount of your supplemental annuity is reduced if you receive monthly pension payments, or lump-sum pension payments, from your former railroad employer, which are based in whole or in part on contributions from that railroad employer. Your own contributions to your pension account do not cause a reduction.

To be eligible for the supplemental annuity, you must:

- be at least age 65 with at least 300 months (25 years) of railroad service, or be at least age 60 with at least 360 months (30 years) of railroad service; and,

(NOTE - The increase in Full Retirement Age described in Chart 2 does not apply to the supplemental annuity.)

- have at least 1 month of railroad service before October 1, 1981; and
 - have a current connection with the railroad industry (as explained below); and,
 - be receiving your employee railroad retirement annuity.
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Regular Current Connection For Occupational Disability, Supplemental Annuity, or Survivor Benefits

You must have a **Current Connection** with the railroad industry to qualify for an occupational disability annuity, a supplemental annuity or for future survivor benefits.

You have a regular current connection with the railroad industry if you meet either of the following conditions:

- you worked for a railroad in at least 12 of the 30 consecutive months immediately before the month in which your annuity begins; or,
 - you worked in the railroad industry in at least 12 months in any earlier period of 30 consecutive months and you did not work in any significant non-railroad employment between the end of that 30 month period and the month in which your annuity begins. However, work for certain government agencies will not break your current connection. Also, self-employment or employment after your employee annuity beginning date will not break your current connection.
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Deemed Current Connection for Supplemental Annuity or Survivor Benefits

If you do not have a regular current connection, you may have a deemed current connection for only a supplemental annuity or for future survivor benefits if you:

- have at least 25 years of railroad service; and,
- stopped working in the railroad industry involuntarily and without fault for a non-medical reason on or after October 1, 1975; and,
- did not decline an offer to remain in or return to railroad employment in the same class or craft as your most recent railroad service (regardless of the number of miles you would have had to move to accept such job).

Tier 1 Reductions for Non-Railroad Earnings

Any earnings can have an effect on disability annuities.

If your annuity is based on age and service and you are receiving social security benefits, your Tier 1 benefit is not reduced for your non-railroad earnings. If you are not receiving social security benefits, the **Annual Earnings Exempt Amount** is the amount of non-railroad earnings you can have in a year without losing part of your Tier 1 benefit and/or the Tier 1 benefit of your spouse. There are separate Annual Earnings Exempt Amounts for persons at Full Retirement Age and those under Full Retirement Age. Use Chart 2, to determine your Full Retirement Age and then refer to Chart 3 below and Form G-77a, "How Earnings Affect Payment of Retirement Annuities."

CHART 3 - DETERMINING YOUR ANNUAL EARNINGS EXEMPT AMOUNT

For a year:	You may lose up to \$1 in Tier 1 benefits for every	The reduction:
in which you attain Full Retirement Age,	\$3.00 of earnings over the Annual Earnings Exempt Amount for your age group. However, your earnings are only counted for months before the month in which you attain Full Retirement Age.	is removed effective the month in which you attain Full Retirement Age.
you are under Full Retirement Age for the entire year,	\$2.00 of earnings over the Annual Earnings Exempt Amount for your age group.	applies for the full year.
you work outside the U.S. for 45 or more hours per month,	\$2.00 of earnings. There is no Annual Earnings Exempt Amount for work outside the U.S. However, your earnings are only counted for months before the month in which you attain Full Retirement Age.	is removed effective the month in which you attain Full Retirement Age.

Tier 2 Reductions for Last Pre-Retirement Non-Railroad Earnings

Your **Last Pre-Retirement Non-Railroad Employer** (LPE) is generally any non-railroad employer(s) for whom you performed service at the same time or after you stopped railroad work, but before your age and service or disability annuity beginning date.

Any earnings can have an effect on disability annuities. For age and service annuities, any earnings after your annuity beginning date from your LPE, **at any age**, may cause a reduction to your supplemental annuity, your Tier 2 benefit and the Tier 2 benefit of your spouse. The reduction is \$1 for every \$2 earned (subject to the maximum reduction of 50% of the employee and spouse Tier 2 benefits and 50% of any supplemental annuity).

If you would like more information, please contact the nearest RRB field office. Request Booklet, RB-1 *Age and Service Employee Annuities* or RB-1D *Employee Disability Benefits* before you come in to file for your annuity.